

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 AF-08 ARA-06 EA-07
NEA-10 SSO-00 NSCE-00 USIE-00 INRE-00 SP-02
AID-05 NSC-05 TRSE-00 SS-15 STR-04 OMB-01 CEA-01
L-03 H-01 FRB-03 ITC-01 AGRE-00 CIAE-00 COME-00
INR-07 LAB-04 NSAE-00 OIC-02 SIL-01 PA-01 PRS-01
/122 W

-----281847Z 012121 /53

O R 281726Z MAR 77

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 6251

AMEMBASSY BERN IMMEDIATE

INFO USMISSION USEC BRUSSELS

USUN NEW YORK 4500

OECD PARIS 9546

C O N F I D E N T I A L SECTION 1 OF 2 GENEVA 2344

AMEMBASSY BERN TO PASS TO UNDERSECRETARY COOPER IN BASEL

E.O. 11652: GDS

TAGS: UNCTAD, EGEN

SUBJ: UN CONFERENCE ON A COMMON FUND: G-77 INTRODUCES NEW
TEXT; FALLOUT FROM EC ROME DECLARATION

REF: GENEVA 2309

1. SUMMARY: AT BRIEF COMMITTEE OF THE WHOLE SESSION
MORNING OF MARCH 28, G-77 INTRODUCED TEXT OF DRAFT DECISION
REPORTED PARA 2 REFTEL, WHICH CALLS FOR QUOTE ESTABLISHMENT
OF A COMMON FUND UNQUOTE. HE INDICATED PRIVATELY TO US AND
OTHERS THAT SOME PARTS OF DRAFT WERE NEGOTIABLE BUT THAT
QUESTION OF FIRM COMMITMENT TO ESTABLISHMENT OF A
FUND WAS NOT. THERE IS CONSIDERABLE FALLOUT FROM EC PUBLIC
COMMUNIQUE ISSUED OVER WEEKEND STATING QUOTE THERE SHOULD BE
A COMMON FUND UNQUOTE, WHICH IS LEADING SOME WAVERERS WITHIN
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GROUP B (DEVELOPED COUNTRIES) TO ACCEPT ENDORSEMENT OF
FUND AND CAUSING G-77 REPS TO BE LESS INCLINED TOWARD
COMPROMISE ON THEIR OWN TEXT. END SUMMARY.

2. CONFERENCE BUREAU DECIDED EARLIER THIS MORNING
(MARCH 28) TO RESUME SESSIONS OF COMMITTEE OF THE WHOLE,
AND BRIEF MEETING OF THIS GROUP WAS HELD. IN IT, CHAIRMEN

OF THREE NEGOTIATING GROUPS PRESENTED BRIEF
NONCONTROVERSIAL REPORTS ON THEIR GROUPS ACTIVITIES. G-77
SPOKESMAN (ALATAS-INDONESIA) THEN READ STATEMENT WHICH
SERVED AS INTRODUCTION OF NEW G-77 PROPOSED TEXT OF DRAFT
DECISION OF CONFERENCE REPORTED IN PARA 2 OF REFTEL.
ALATAS SAID THAT G-77 ALSO PREPARING SECOND DRAFT DECISION
WHICH, IF FIRST ACCEPTED, WOULD BE INTRODUCED TO COVER
PROCEDURAL FOLLOW-UP OF CURRNET CONFERENCE. (KHIRBI OF
ALGERIA TOLD US PRIVATELY THAT SECOND PROCEDURAL DECISION
WOULD BE PROPOSED ONLY IF PRINCIPLE OF ESTABLISHMENT OF
COMMON FUND IS FIRST ACCEPTED; OTHERWISE, HE SAID, IF
CONFERENCE NOT AGREED ON THIS PRINCIPLE IT SHOULD BE BROKEN
OFF AND "OTHER ACTION CONSIDERED" BY G-77.)

3. IN HIS REMARKS, ALATAS STRONGLY ATTACKED GROUP B,
WHICH HE SAID WAS "CLEARLY UNABLE AND UNWILLING TO START
ANY PROCESS WHICH WAS DESERVING OF THE TERM NEGOTIATIONS".
GROUP B WAS ATTEMPTING TO INTRODUCE INTO THE NEGOTIATIONS
ALTERNATIVE FORMS TO A CF, EVEN THOUGH A CONSENSUS
HAD BEEN REACHED IN NAIROBI ON CF. TECHNICAL DISCUSSIONS
SHOULD COME AFTER THE IDENTIFICATION OF GENERAL PRINCIPLES,
SOMETHING WHICH GROUP B WAS UNWILLING TO ACCEPT. HE SAID
IT SHOULD THEREFORE COME AS NO SURPRISE THAT G-77 LAST
THURSDAY CALLED A HALT TO THIS PROCESS AND HAD NOW
COME UP WITH ONE LAST ATTEMPT AT COOPERATION RATHER
THAN CONFRONTATION IN THE FORM OF A WILLINGNESS TO ACCEPT
FROM THE CURRENT CONFERENCE A FIRM POLITICAL DECISION
BY ALL PARTICIPANTS TO ACCEPT A COMMON FUND, WHICH WOULD
BE THE MAIN (NOT SOLE, HE SAID) INSTRUMENT FOR ATTAINING
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THE OBJECTIVES OF THE IPC AND WHICH WOULD BE THE
CENTRAL SOURCE OF FINANCE. IN CONCLUSION, ALATAS NOTED
THAT ROME STATEMENT OF EC ON MARCH 26 MIGHT BE RELEVANT,
AND ASKED EC TO PRESENT IT. GROUP B SPOKESMAN (BARRASS-UK)
INDICATED HIS GROUP WOULD NEED TIME TO CONSIDER NEW
DRAFT. GROUP D (EASTERN EUROPEAN) WAS SILENT DURING DIS-
CUSSION. IT WAS AGREED TO RESUME COMMITTEE AS A WHOLE
DISCUSSIONS AFTERNOON OF MARCH 29.

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C O N F I D E N T I A L SECTION 2 OF 2 GENEVA 2344

4. ALATAS HAS INDICATED PRIVATELY TO US AND SEVERAL OTHER CONFERENCE MEMBERS THAT G-77 TEXT IS NEGOTIABLE, BUT ALSO INSISTED THAT CLEAR COMMITMENT ON THE ESTABLISHMENT OF A COMMON FUND CONTAINED IN IT WAS NOT. HE ALSO SAID THAT CENTRAL SOURCE FINANCING CONCEPT MUST ALSO REMAIN AS PART OF CF, BUT THUS IMPLIED THAT THERE MIGHT BE WILLINGNESS TO CONCEDE THAT OTHER SOURCES OF FINANCE (E.G., INTERNATIONAL COMMODITY AGREEMENTS) WERE ALSO POSSIBLE. KHIRBI OF ALGERIA TOOK A SIMILAR LINE WITH US.

5. EC HEADS OF GOVERNMENT PUBLIC COMMUNIQUE MADE MARCH 26 AT ROME (AND READ OUT AT COMMITTEE OF THE WHOLE BY EC SPOKESMAN STEEL FOLLOWING ALATAS' REFERENCE TO IT) HAS CAUSED CONSIDERABLE STIR HERE. SEVERAL WAVERING COUNTRIES, E.G., SWITZERLAND, HAVE TOLD US PRIVATELY THAT CHANGE IN EC POSITION TO ONE THAT "THERE SHOULD BE A CF" MAKES IT IMPOSSIBLE FOR THEM TO REMAIN AS FENCE-SITTERS ON THE ISSUE OF THE PRINCIPLE OF ESTABLISHMENT OF A CF, ALTHOUGH THEY CONFIDENTIAL

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CONTINUE TO HAVE VIEWS VERY DIFFERENT FROM G-77 ABOUT WHAT IT SHOULD CONSIST OF. CANADIANS TOLD US THEY WILL BE CHECKING WITH WASHINGTON BEFORE DETERMINING IF THERE IS ANY CHANGE IN THEIR POSITION, JAPANESE SILENT, BUT AGREED WITH US DEL'S SUGGESTION THAT JAPAN AND U.S. SHOULD CONSULT FULLY WITH EACH OTHER BEFORE MAKING ANY SUBSTANTIVE CHANGE OF POSITION.

6. U.S. DEL HAS TOLD THOSE WHO HAVE INQUIRED, BOTH FROM G-77 AND GROUP B, THAT U.S. POSITION REMAINS AS GIVEN IN

MARCH 10 BOSWORTH POSITION, ALTHOUGH OBVIOUSLY U.S. AUTHORITIES WILL NEED TO EXAMINE IMPLICATIONS OF NEW EC POSITION. WE HAVE ALSO TOLD EC REP (STEELE) THAT WE WISH SOME ADVANCE NOTICE ON ANY STATEMENT EC MIGHT MAKE HERE AT CONFERENCE INTERPRETING ROME STATEMENT. GERMANS HAVE ASSURED US THAT THEY WILL INSIST WITHIN EC ON CONSULTATION WITH US, AND WILL ALSO ATTEMPT TO MAINTAIN MINIMALIST LINE (WHICH THEY ADMITTED WILL PROBABLY INVOLVE ENDORSEMENT OF PRINCIPLE OF CF IN SOME FORM, BUT NOT AS IN G-77 TEXT).SORENSEN

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Message Attributes

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Disposition Approved on Date:
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Disposition Date: 22 May 2009
Disposition Event:
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Subject: UN CONFERENCE ON A COMMON FUND: G-77 INTRODUCES NEW TEXT; FALLOUT FROM EC ROME DECLARATION
TAGS: EGEN, IT, UNCTAD, G-77, EEC
To: STATE BERN
Type: TE
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